

## Medicaid Commissioner presents FY2009 budget to state legislators

Alabama Medicaid Commissioner Carol Steckel urged members of the state's legislative budget committee to support the Agency's efforts to build a firm foundation for the Agency's future so that innovations in technology and medicine can be used to provide better health care at a lower cost. Her comments came during her annual presentation to members of the state legislative budget committee on January 16.

"Historically it has been our mission to pay claims correctly and timely. Now, we are in a select group of state Medicaid programs chosen to lead a national transformation effort to move beyond just paying claims correctly to using technological know-how, national health care guidelines and the power of collaboration to create a health care system that is driven by information, accountability and results," she said.

Commissioner Steckel presented the Agency's FY09 budget proposal which requests an additional \$149.6 million from the state's General Fund Budget. The proposed budget reflects a loss of \$111 million in state dollars in one time funds from Hurricane Katrina relief and the loss of one-time revenues from Upper Payment Limit cost settlements.



*Medicaid Commissioner Carol Steckel continued her tradition of inviting students who are interested in government to attend the January 16 Medicaid budget presentation to the legislative budget committee. Following the presentation, the five students toured the Statehouse and met members of the Legislature. From left to right are Caryn Bradford of Montgomery, Shannen Miller of Geneva, Brandon Hurst and DeLorenzo Watkins of Montgomery, and Brandon Perez of Millbrook with Speaker of the House Seth Hammett and Commissioner Steckel.*

The budget also includes several pharmacy program initiatives designed to preserve recipients' access to medically-necessary drugs while reducing costs to the Medicaid program, she said. These include newly-implemented revisions to the criteria and payment methodology for hemophilia blood products, a positive antipsychotic management program, improvements to dispense-as-written requirements, elimination of adult coverage of generic and over-the-counter drugs for cough and cold symptoms and a return to the monthly 4-brand drug limit. The proposed changes also include a plan to modify the State Maximum Allowable Cost (SMAC) program.

"We are currently working in cooperation with our pharmacy providers to implement a new reimbursement system for pharmacy services and prescription drugs," Commissioner Steckel said. "We will develop a program that not only fairly reimburses pharmacists for the acquisition cost of drugs but also will reflect the cost of doing business and the professional services provided by our pharmacists."

She pointed to the successful implementation of the Agency's Preferred Drug List, prior authorization requirements and other pharmacy initiatives as proof that using evidence-based national guidelines and best practices do not keep Medicaid recipients from getting the medicine they need nor does it increase costs in any other area of the program. For example, she noted that Agency drug utilization reports show that an approximate 60 percent generic utilization by Medicaid recipients.

Commissioner Steckel emphasized the importance of the Agency's efforts to build a strong foundation for the future. "Allowing us the opportunity to build this foundation will ensure a program that focuses on quality, prevention, education and foremost, the people we serve."